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Lumbee Revitalization & Community Development Corporation

April 1, 2004

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Docket No.R- 1181

Jennifer J. Johnson

Secretary

Board of Governors of the Federal Reserve System

20th Street and Constitution Avenue, NW

Washington, DC 20551

Dear Ms. Johnson:

We have just received notification of proposed changes in the Community Reinvestment Act of 1977, and would like to respectfully request that these proposed changes not be implemented. Our agency is located in Robeson County, North Carolina, which is one of the poorest in the nation, and we also represent the Lumbee Indian Tribe, residing mostly in this county. The Lumbee Tribe, the largest Tribe east of the Mississippi, is not federally recognized with a large income deficit when compared to other people in our area.

Rural areas of eastern North Carolina have suffered immensely from job losses due to demise of the domestic textile industry in the past few years. Our county has had a high poverty level, 19% and double-digit unemployment for some time.

What we need is more activity from the lending industry to serve low and moderate-income people instead of less. This is especially true in regard to predatory lending. Our county and others surrounding ours has an unusually large number of people (37%) living in mobile homes, where predatory lending is rampant. In fact, this area has been labeled the "mobile home capital" by several newspapers. We have encountered interest rates on mobile homes of 25% or more making it impossible for a family of modest or below income to ever pay the mortgage.

We are in the process of establishing a CDFI to make loans to low and moderate-income families, and we will be depending on banks to provide us lending funds at lower

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Therefore, we request that these proposed changes not be implemented, or that they are altered sufficiently so they will still provide the service to our clients and customers. What our community and Tribe needs is increased lending activity and stronger CRA regulations not action that will weaken their will and desire to serve the poor and near poor people, Indians, and others in our area.

Sincerely,

Leroy Freeman
Chairman
LRCDC

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